

Marine Shale Processors Site PRP Group

9828 Louisiana Hwy 182 East, Amelia, Louisiana

Louisiana Department of Environmental Quality AI No. 5414

FOR SETTLEMENT PURPOSES ONLY - TIME SENSITIVE MATERIAL OFFER OF SETTLEMENT AND GENERAL RELEASE

TO: Marine Shale Processors Site Potentially Responsible Parties (“PRPs”)
FROM: Marine Shale Processors Site PRP Group (“MSP Site PRP Group”)
RE: Offer of Early “De Minimis” Settlement
DATE: August 25, 2016

Greetings and Please Take Notice:

This memo is to provide NOTICE to you of a demand by the United States Environmental Protection Agency (“USEPA”) and the Louisiana Department of Environmental Quality (“LDEQ”) for remediation of the Marine Shale Processors Site located in Amelia, Louisiana (“Site”) and the on-going efforts of the MSP Site PRP Group to resolve the matter with the State of Louisiana and to inform you of the opportunity to enter into a “de minimis cash-out settlement” described below. This matter arises under the strict, retroactive, joint and several liability provisions of the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §9601, et seq. and Louisiana Revised Statutes 30:2271, et seq. **This letter shall be considered a demand letter sent pursuant to Louisiana Revised Statutes 30:2276(G).**

Attached to this cover memorandum is a Settlement Agreement (Attachment A) that reviews some of the relevant history and status of this matter. As a potentially responsible party (“PRP”) at the Site, you are encouraged to review the enclosed materials.

The current goals of the MSP Site PRP Group include:

- Conducting a Remedial Investigation (“RI”) and Corrective Action Study (“CAS”) at the request of LDEQ;
- Developing a cost-effective remedial action program acceptable to the LDEQ;
- Taking necessary measures to raise funds from all the PRPs, based upon documentary evidence in the form of hazardous waste manifests, sufficient to fund the implementation of a cost-effective and final remedial action program at the Site;

- Entering into an agreement with the LDEQ that provides an appropriate Covenant Not to Sue and Contribution Protection to the participating PRPs; and
- Reaching a settlement with “de minimis” PRPs that allows them to exit the case and thereby avoid the costs associated with investigation, negotiation, and litigation, and all other expenses relating to the resolution of liability associated with the Site, in exchange for a cash payment to the MSP Site PRP Group.

THIS MEMORANDUM REQUESTS ACTION ON YOUR PART

The USEPA and the LDEQ have issued demand letters to forty-six (46) entities who allegedly arranged for the treatment, storage, or disposal of waste at the Site, advising them that they should enter into an agreement to undertake a remedial investigation and corrective action study and remedial action. The basis of the demand letters is the strict, retroactive, joint and several liability provisions of CERCLA and Louisiana Revised Statutes 30:2271, et seq. In response to the demand letters, eighteen (18) entities formed the MSP Site PRP Group to address the demands of the USEPA and the LDEQ so as to avoid unnecessary and costly litigation to bring closure to this Site. The members of the MSP Site PRP Group are listed in Attachment B.

As a result of the on-going effort by the MSP Site PRP Group, a Cooperative Agreement for Site Investigation and Remediation, dated March 18, 2009, was entered into with LDEQ. The agreement requires the MSP Site PRP Group to conduct a remedial investigation and corrective action study. The MSP Site PRP Group has retained consultants to carry out necessary actions to proceed with the remedial investigation and corrective action study. The agreement also allows for the possibility of interim remedial measures. As such, the MSP Site PRP Group has incurred significant costs in the investigation of the Site, as well as in negotiations with state and federal officials. A copy of the Cooperative Agreement for Site Investigation and Remediation entered into with LDEQ may be accessed at the MSP web site maintained by its Administrative Coordinator, TLI Solutions, Inc., at [***www.tlisolutions.com/MSP***](http://www.tlisolutions.com/MSP)

The MSP Site PRP Group has determined that you are eligible for an early “de minimis cash-out settlement” that provides you with the opportunity to contribute a small amount to the investigation and remediation of the Site in exchange for a general release and avoidance of any further involvement in the Site. The determination to provide you with an early “de minimis cash-out” settlement opportunity is based upon waste manifest documents that reflect that you were a generator of a relatively small amount of waste that was disposed at the Site. This is the first round of de minimis cash-out settlement opportunities that have been offered by the MSP Site PRP Group to those generators who contributed waste to the Site in a volume range within 1.001 to 5.000 tons. **The de minimis cash-out settlement amount is \$8,500.00.** Enclosed with this memorandum you will find:

- (i) A Settlement Agreement (Attachment A);
- (ii) A list of the members of the MSP Site PRP Group (Attachment B);
- (iii) A document setting forth waste manifest information that establishes your “nexus” to the Site (Attachment C);
- (iv) An invoice with regard to the de minimis monetary payment that must be made by you to receive the liability protection (Attachment D); and
- (v) A General Release (Attachment E).

WHAT YOU ARE REQUESTED TO DO

You are advised to review the enclosed documents. You may also wish to go to the LDEQ website (www.deq.louisiana.gov) and access the Electronic Document Management System (EDMS) to search for information on the Site (AI No. 5414). If you have any questions regarding this notification, please contact Sabine Fischer Warren at TLI Solutions, Inc., phone number 703-818-3250, or email at swarren@tlisolutions.com.

Because this early “de minimis cash-out” settlement opportunity is for such a small payment, the MSP Site PRP Group will not negotiate the amount of the required payment. The decision to accept this “de minimis cash-out” settlement opportunity or to remain a nonparticipating PRP is solely up to you. **This will be your only opportunity to take advantage of an early “cash-out” and avoid further involvement in this matter and associated costs. The MSP Site PRP Group requests that you inform us of your decision by no later than Sept. 24, 2016. If you have not properly accepted this offer at that time, this de minimis cash-out settlement offer shall be automatically withdrawn, void, and of no further effect.**

To take advantage of this “de minimis cash-out” settlement opportunity, you must do the following:

1. You must enter your name and Taxpayer Identification Number (TIN), sign, date, and have your signature notarized at the end of the Settlement Agreement (Attachment A). Upon your proper execution and delivery to the MSP Site PRP Group of the completed Settlement Agreement, coupled with your payment of the de minimis cash-out settlement amount, the General Release (Attachment E), signed by the Chairman of the MSP Site PRP Group, will be delivered to you. The Settlement Agreement becomes binding upon the MSP Site PRP Group’s receipt from you of the properly executed Settlement Agreement and de minimis cash-out settlement payment.
2. Please make the de minimis cash-out settlement payment per the enclosed invoice (Attachment D). Please fill in the proper return address for the General Release.

PLEASE MAIL THE PROPERLY EXECUTED SETTLEMENT AGREEMENT (original and 1 copy), THE COMPLETED INVOICE, AND THE DE MINIMIS CASH-OUT SETTLEMENT PAYMENT (check made payable to **MARINE SHALE PROCESSORS SITE TRUST**) TO:

Marine Shale Processors Site PRP Group
Attn: Sabine Fischer Warren
TLI Solutions Inc.
14500 Avion Parkway, Suite 301
Chantilly, VA 20151

The MSP Site PRP Group intends to retain the original Settlement Agreements. Once your check has cleared, the General Release will be signed and mailed to you together with a copy of the countersigned Agreement. If you do not receive the General Release and countersigned Agreement within 10 business days of sending in your properly executed Settlement Agreement and payment, please call the above contact, Sabine Fischer Warren, at 703-818-3250, or via e-mail at swarren@tlisolutions.com, and advise that documents have not yet been received, and they will be mailed to you.

We have advised the LDEQ of this de minimis settlement process. If you decide to participate in this de minimis cash-out settlement opportunity, you will not hear from the MSP Site PRP Group again, other than receiving the General Release.

To avoid any confusion, you are being asked to do 4 things:

- 1. Read this memo and the enclosures;**
- 2. Execute the Settlement Agreement (if you choose to participate);**
- 3. Issue a check in the amount of \$8,500.00; and**
- 4. Mail the properly executed Settlement Agreement (original and one copy), the completed invoice, and the payment to the address set forth above.**

Thank you for your prompt attention to this matter.

Enclosures: Attachment A - Settlement Agreement
Attachment B - PRP Group Member List
Attachment C - Waste Manifest Information
Attachment D - Invoice with amount of payment due
Attachment E - General Release

Attachment A

Settlement Agreement

SETTLEMENT AGREEMENT

WHEREAS, the Marine Shale Processors Site (AI No. 5414) (the “Site”) consists of approximately 48 acres and is located at 9828 Louisiana Highway 182 East approximately 1.5 miles west of Amelia, St. Mary Parish, Louisiana, and is bordered by Louisiana Highway 90 to the north, industrial properties to the northwest and to the southeast, and Bayou Boeuf to the southwest; and

WHEREAS, Marine Shale Processors, Inc. (“MSP”) purchased the Site in 1984 and converted it into a waste processing and treatment facility for non-hazardous oil field wastes, but in 1985, MSP began to incinerate hazardous wastes, including a wide variety of organic and inorganic hazardous substances; and

WHEREAS, as many as 7,800 entities, including the signatories hereto, are alleged to have arranged for the treatment, storage, or disposal of hazardous substances and wastes at the Site, and the “nexus” of such entities with the Site is documented in hazardous waste manifest records in the possession of the Louisiana Department of Environmental Quality (“LDEQ”) and/or the United States Environmental Protection Agency (“USEPA”); and

WHEREAS, MSP ceased operating the facility in 1996 but left behind storage tanks and bins containing incinerated waste residues and untreated waste, on-site stockpiles of incinerated waste and untreated waste, and fill material composed of incinerated waste material; and

WHEREAS, the USEPA and the LDEQ have issued demand letters to forty-six (46) entities who allegedly arranged for the treatment, storage, or disposal of waste at the Site, advising them that they should enter into an agreement to undertake a remedial investigation and corrective action study and remedial action at the Site, and providing such parties with information as to the other potentially responsible parties (“PRPs”) with a “nexus” to the Site, including the signatories hereto; and

WHEREAS, twenty-seven (27) of the PRPs have entered into an agreement to (1) devote their resources to efficiently address any claims that may be asserted by the United States, the State of Louisiana, or other parties in connection with the Site, (2) allocate among themselves common legal, technical, administrative, and other costs incurred in connection with this matter, and (3) cooperate among themselves in this effort (the “Marine Shale Processors Site Joint Defense and PRP Agreement”) and, pursuant thereto, have organized and constitute themselves when acting collectively under the terms of Marine Shale Processors Site Joint Defense and PRP Agreement as the “MSP Site PRP Group”; and

WHEREAS, the MSP Site PRP Group has established committees in an effort to, *inter alia*, coordinate, negotiate, and manage the investigation and remedial actions at the Site and seeks to try to avoid the costs of litigation with the LDEQ and USEPA, as well as litigation by and amongst the PRPs in related contribution actions; and

WHEREAS, the MSP Site PRP Group has retained consultants to carry out necessary actions to proceed with the remedial investigation and corrective action study, as well as other activities that may be approved by the MSP Site PRP Group; and

WHEREAS, in accordance with the Cooperative Agreement for Site Investigation and Remediation executed by the MSP Site PRP Group and the LDEQ, a remedial investigation and corrective action study are being conducted at the Site in accordance with applicable statutory and regulatory requirements; and

WHEREAS, the MSP Site PRP Group has reviewed the “waste-in” volumetric quantity information provided by the United States Department of Justice which was prepared from hazardous waste manifest documents and has determined that approximately 2,150 PRPs should be afforded the early opportunity, based upon the relatively small volume of wastes they shipped to the Site, to “cash-out” in this matter at a “de minimis” payment amount, and thereby avoid transaction or litigation expenses; and

WHEREAS, the MSP Site PRP Group has considered the matter, has determined that the cash-out amounts represent a reasonable contribution by the de minimis cash-out parties for their fair share of costs incurred and to be incurred by the MSP Site PRP Group, and has voted to approve a “cash-out” settlement to be offered to the PRPs, and to so advise the State of Louisiana of such settlement effort; and

WHEREAS, the MSP Site PRP Group has and will continue to incur significant costs in the investigation of the Site, as well as in negotiations with state and federal officials, etc.; and

WHEREAS, the PRPs to whom an early “cash-out” opportunity is being extended are not members of the MSP Site PRP Group, and have, to date, been able to avoid costs and expenses associated with the Site, and are not being asked to pay a “participation fee” to the MSP Site PRP Group or to accept any future liability risk associated with costs of the implementation of investigation and remediation activities at the Site; and

WHEREAS, the MSP Site PRP Group members have agreed to compromise, release, and waive any claims under state or federal laws that the MSP Site PRP Group and its members have, or may have, arising from the release or threat of release of hazardous substances at, on, or from the Site, against such of the PRPs that accept this early “de minimis” cash-out settlement opportunity.

NOW, THEREFORE, in consideration of the mutual promises, representations, and warranties contained herein, and for other good and valuable consideration, the MSP Site PRP Group and the undersigned “de minimis” party signatories (hereinafter, individually, “cash-out party” and collectively, “cash-out parties”) agree as follows:

AGREEMENT

1. Each cash-out party shall pay the MSP Site PRP Group the amount of \$8,500.00. The payment shall be made no later than 5 business days after the cash-out party’s execution of this Settlement Agreement. The payment shall be made payable to the MARINE SHALE PROCESSORS SITE TRUST (Federal Tax ID Number 47-6335896).
2. Each cash-out party represents and warrants that it has no information in its possession or in the possession of any of its representatives or agents that reflects total shipments of waste by that cash-out party to the Site in excess of 5 tons. The MSP Site PRP Group relies upon such warranty and representation and reserves all of its rights to re-open this matter and pursue any and all claims against the cash-out party that it and its members may have in the event that such warranty and representation is not accurate. Each cash-out party also represents and warrants that it will not alter, destroy, or otherwise dispose of any records, documents, or other information that reflects shipments of waste by the cash-out party to the Site or the cash-out party’s potential liability regarding the Site, pending final settlement of this matter, and that it has not done so after receiving the settlement packet provided to cash-out parties.
3. Furthermore, in the event the MSP Site PRP Group obtains additional information that identifies total shipments of waste in excess of the above 5 tons by the cash-out party or a related entity, then this Agreement shall be modified accordingly to reflect any additional payment that may be required by the cash-out party, to receive the benefit of this Agreement.
4. The cash-out parties shall have no obligation to the MSP Site PRP Group to undertake or pay for any investigation or remediation of any kind, or for any other cost of response, past or present, at the Site.
5. The MSP Site PRP Group, upon the receipt of a cash-out party’s properly executed Settlement Agreement and payment, shall execute and issue a general release to that cash-out party in the form set forth in Attachment E to the settlement packet provided to cash-out parties.
6. The MSP Site PRP Group shall advise the LDEQ of the payment by the cash-out party, will confirm that the payment is fair and reasonable, and, without warranty, will use its best efforts to have the cash-out party named as a participating PRP in any agreement or consent order with the LDEQ, so that the cash-out party shall be entitled to receive any and all liability protections afforded by such agreement or consent order.

7. Upon its execution by the MSP Site PRP Group and a cash-out party, this Settlement Agreement shall be a contract and may be enforced as such. Except to the extent necessary to seek a remedy for any breach of this Settlement Agreement, this Settlement Agreement is not and shall not be offered or deemed as an admission of-fact, law, or liability of any party. This Settlement Agreement shall be governed by and interpreted in accordance with the laws of Louisiana and constitutes the entire agreement among the parties. This Settlement Agreement shall be binding on all signatories and their successors and assigns.
8. This Settlement Agreement may be executed in multiple counterparts, each of which may be deemed an original, but all of which shall be deemed one and the same Settlement Agreement.

Marine Shale Processors Site PRP Group

Steve Holt
Chairman, Steering Committee

Date: _____

Cash-Out Party:

Company Name

By: _____
(Signature)

(print name)

Title: _____

Date: _____

TIN: _____

Thus sworn and signed before me on this the
____ day of _____, 2016.

NOTARY PUBLIC

My commission expires: _____

Attachment B

MARINE SHALE PROCESSOR SITE (MSP) PRP Group Member List 1/6/2016

1. 3M Company
2. Beazer East Inc.
3. Chemtron Corporation
4. C.L. Hawthaway & Sons, Inc.
5. Clean Harbors Environmental Services, Inc. (includes
The Solvents Recovery Service of New Jersey, Inc.)
6. Cycle Chem
7. Environmental Enterprises, Inc.
8. Giant Resource Recovery-Attalla, Inc. (f/k/a M&M Chemical)
9. Hydrite Chemical Co.
10. International Paper Company
11. J. Ray McDermott, Inc.
12. Lion Oil Company
13. Lufkin Creosoting Co. Inc.
14. MCF Systems Atlanta, Inc.
15. MKC Enterprises Inc.
16. National Oilwell Varco
17. Perma-Fix Environmental Services, Inc.
18. Pollution Control Industries, Inc.
19. Romic Environmental Technologies Corp.
20. Roy O. Martin Lumber Company, L.L.C.
21. Solvents and Petroleum Service, Inc.
22. Steelcase Inc.
23. Tecumseh Products Company, Inc.
24. The Coleman Company, Inc.
25. Trelleborg Coated Systems US, Inc.
26. Trinity Industries
27. Tunnel Barrel & Drum Co., Inc.

Attachment C

Waste Manifest Information

Marine Shale Processors Inc. (MSP) Waste Receipt Report Summary
MSP Plant: Amelia, LA
Louisiana Department of Environmental Quality AI No. 5414
U.S.E.P.A. ID: LAD98105776

Generator

OLDHAM COUNTY

OLD CEDAR POINT ROAD

BUCKNER, KY 40010

	<i>RCRA Id</i>	<i>Manifest Number</i>	<i>Year</i>	<i>Tons</i>
1	KYD985111095	LAA3232045	1994	0.900
2	KYD985111095	LAA3232045	1994	1.000
<i>Total:</i>				1.900

Wednesday, April 13, 2016

Marine Shale Processors Site PRP Group

9828 Louisiana Hwy 182 East, Amelia, Louisiana

Louisiana Department of Environmental Quality AI No. 5414

August 25, 2016

OLDHAM COUNTY BOARD OF EDUCATION

6165 W. Highway 146
Crestwood, KY 40014

Re: Marine Shale Processors Site
Marine Shale PRP Group Invoice

INVOICE

De Minimis Cash-Out Settlement Amount	\$8,500.00
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TOTAL DUE	\$8,500.00
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Please make check payable to: **MARINE SHALE PROCESSORS SITE TRUST**
Please reference "*Marine Shale PRP Group*"

Please send payment to: Marine Shale Processors Site PRP Group
Attn: Sabine Fischer Warren [703.818.3250]
TLI Solutions, Inc .
14500 Avion Parkway, Suite 301
Chantilly, VA 20151

Please keep a copy for your files

Attachment E

General Release Form

GENERAL RELEASE

The Marine Shale Processors Site PRP Group ("MSP Site PRP Group") and its members, and on behalf of its members, for and in consideration of the sum of Eight Thousand Five Hundred and 00/100 (\$8,500.00) Dollars lawful money of the United States of America paid to the MSP Site PRP Group, the receipt whereof is hereby acknowledged, hereby release, the said _____, and its successors and assigns, of and from all, and all manner of, action and actions, cause and causes of action, suits, controversies, claims, and demands whatsoever, in law and equity, (a) with regard to the investigation and remediation of the Marine Shale Processors Site (AI No. 5414), 9828 Louisiana Hwy 182 East, Amelia, Louisiana ("MSP Site") and other response costs of any description arising at or from the MSP Site, and/or (b) arising from the release or threatened release of hazardous substances at, on, or from the MSP Site, which the MSP Site PRP Group and its members ever had, now have, or hereafter can, shall, or may have stemming from the detection of hazardous substances or any other environmental contaminants at, on, or from the MSP Site, arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601, et seq. and/or Louisiana Revised Statutes 30:2271, et seq.

IN WITNESS WHEREOF, the MSP Site PRP Group has caused this General Release to be executed on the _____ day of _____, 2016.

Marine Shale Processors Site PRP Group

Steve Holt
Chairman, Steering Committee